

Registered Number 235326

Andrews & Partners Limited
Annual Report and Financial Statements
for the year ended 31 December 2017



Andrews & Partners Limited

Annual Report and Financial Statements for the year ended 31 December 2017

Contents

Directors and advisers	1
Strategic Report	2
Directors' Report	6
Independent Auditors' Report	8
Consolidated Profit and Loss Account	11
Consolidated Statement of Comprehensive Income.....	12
Consolidated Balance Sheet	13
Company Balance Sheet	14
Consolidated and Company Statement of Changes in Equity.....	15
Consolidated Cash Flow Statement	16
Note to the Consolidated Cash Flow Statement.....	17
Notes to the Financial Statements for the year ended 31 December 2017	18

Andrews & Partners Limited

Directors and advisers for the year ended 31 December 2017

Directors

The directors of the company, who served throughout the year and up to the date of signing the financial statements, were:-

W Glover	(Chairman until resigned 31 December 2017)
S Esom	(Chairman from appointment 1 January 2018)
P Heal	
D Westgate	
N Wright	

Secretary

N Wright

Registered Office

The Clockhouse
Bath Hill
Keynsham
Bristol
BS31 1HL

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Glass Wharf
Bristol
BS2 0FR

Solicitors

Harris and Harris
14 Market Place
Wells
Somerset
BA5 2RE

Bankers

Barclays Bank Plc
Corporate Banking Centre
Bridgewater House
Counterslip
Finzels Reach
Bristol
BS1 6BX

Andrews & Partners Limited

Strategic Report for the year ended 31 December 2017

The directors have pleasure in presenting their Strategic report and the audited consolidated financial statements of Andrews & Partners Limited for the year ended 31 December 2017.

Principal activities and review of the business

The principal activities of the group are in residential estate agency, letting and management, surveying and financial services. The key performance indicators of the business are revenue, profit before tax and cash flow.

Total revenue fell by 1% from £37,190,102 in 2016 to £36,671,526 in 2017. The group made a profit before tax and charitable donations of £7,285 in 2017 compared to a loss in 2016 of £550,292. The turnaround in result was achieved by the reduction in costs exceeding the reduction in revenue. There was an improved contribution from three out of four divisions with Landmark Surveyors just falling short of their 2016 profit. Donations to the shareholding charities totalled £420,000 in 2017 which was the same as 2016.

2017 was a year of strong cash flow reflecting a better underlying performance than the profit and loss account might suggest. Net cash generated from operating activities in 2017 was £2,102,574 compared to just £233,371 in 2016. This contributed to a positive cash flow for the group of £378,817 as cash balances increased in 2017 from £6,202,329 to £6,581,146. At the same time, loans reduced £222,033 from £881,487 at 31 December 2016 to £659,454 at 31 December 2017 which is the lowest for nearly a decade. There has been significant capital expenditure in recent years and this is reflected in the group's depreciation and amortisation charge for the year rising from £960,575 in 2013 to £2,071,518 in 2017. The growth in these non-cash charges means an increasing gap between cash generated and the profit and loss result.

Estate Agency:

The Estate Agency division includes income derived from referrals for conveyancing services. This remained the largest division in 2017 comprising 43% of group revenue (2016 46%). Total revenue fell by 2% from £17,060,484 in 2016 to £16,701,488 in 2017. Within this figure, estate agency income fell by 3%. However, conveyancing income in 2017 of £885,444 was 19% more than 2016 and was the highest ever as a consequence of a push to maximise this source of income. The target is to grow this to £1m in 2018.

Total administrative expenses fell by 4% compared to 2016 contributing to a significantly reduced loss. The loss for the year before taxation of £1,186,688 in 2017 compared to £1,608,088 in 2016. The biggest factor contributing to the estate agency loss was £676,000 (2016 £389,000) in respect of the Fine & Country operation which was discontinued at the end of the year. There will be no further losses in respect of Fine and Country. There will also be strategic focus on turning round other loss making branches which will have a substantial effect on the bottom line.

One new branch was opened in the year and one closed. A new Contact Centre was also opened in Keynsham to support the branches in servicing customers.

The Brand Review, started in 2016, was largely completed in late 2017 with the internal branding in the branches carried out. Service is a key area of focus and the strategy includes maximising cross selling opportunities to ensure a full customer service proposition. This customer focused strategy should benefit the company in future years by increasing the average commission receivable per sale and enabling the company to move more up market.

Andrews & Partners Limited

Strategic Report for the year ended 31 December 2017 (continued)

Lettings and Management:

The Letting and Management division is the group's second largest division and comprised 33% of group turnover (2016 32%). Revenue increased 1% in the year from £11,986,373 in 2016 to £12,156,252 in 2017 in a challenging market place. The stamp duty changes for second homes and tapering of interest tax relief for landlords restricted supply of new stock to the lettings market. It was a relatively stable year with no new branches opened and none closed.

Profit before tax increased in the year slightly from £345,846 in 2016 to £367,624 in 2017. This increase was achieved despite a fall in interest receivable fell during the year from £85,486 in 2016 to £65,640 in 2017 due to lower rates on deposits. The profit in 2017 is also after an accelerated amortisation of goodwill of £141,488 (see note 13) following an impairment review. The 2017 result was helped by a strong performance from the "B to B" part of the company. Both Leasehold Management and Corporate Client Services had record years in terms of both revenue and profit and the strategy is to actively grow both businesses organically.

The company benefits from a strong base of recurring revenues arising from the loyal customer base of residential and corporate landlords. An initiative has been started to increase the number of lets where fees are charged monthly rather than up front which will enhance recurring revenues

Financial Services:

The Financial Services division offer mortgage and protection products. They have been directly regulated by the FCA since May 2016 having previously been an appointed representative of Legal & General. This division works closely with the estate agency division and operates mainly through the branch network. They also operate through three appointed representative firms which are under the supervision of Andrews. Some of these firms work outside the Andrews' branch network. The mortgage and protection market benefited in 2017 from an increase in the number of homeowners remortgaging in the face of the first interest rate rise by the Bank of England for ten years. However, the number of buy to let mortgages taken out significantly reduced due to tax changes affecting landlords.

The revised operating model of financial services contributed to this division significantly increasing their profit before tax from £309,951 in 2016 to £449,734 in 2017. This was the highest profit achieved since 2002.

Landmark Surveyors:

The surveying division, Landmark Surveyors Ltd operates in the residential surveying market and was sold by the group in January 2018 (see events after the end of the reporting period below). In 2017 revenue of £4,578,089 was 6% down on 2016's revenue of £4,578,089. Costs were also 6% down leading to a small reduction in profit before tax from £401,999 in 2016 to £376,615 in 2017. The lower revenue was principally due to a 24% fall in the supply of instructions from the panel manager, Legal & General Surveying Services (LGSS) in 2017. This was partly compensated by increasing instructions from alternative panel manager work sources such as Connells. There was also a drive to grow direct customer survey instructions and this increased 11% in 2017. In the coming year the plan is to grow this further by improving the Website. The overall proportion of work supplied by LGSS fell from 60.8% in 2016 to 50% in 2017.

Robust risk management remains a high priority and this has contributed to a very good claims record and a reduction in the Professional Indemnity insurance premium. This helped reduce costs and maintain profitability. Tablet technology was introduced successfully in 2017 for all surveyors and this will help make them more efficient as well as improving risk management.

Andrews & Partners Limited

Strategic Report for the year ended 31 December 2017 (continued)

Results and dividends

The trading results for the year and the financial position of the company and group are shown in the annexed financial statements. The directors do not recommend the payment of a dividend. The loss for the financial year of £474,194 (2016: loss of £848,360) has been deducted from reserves.

Event after the end of the Reporting Period

On 22nd January 2018 the company sold 100% of the share capital in Landmark Surveyors Ltd to Simply Biz Limited for a consideration of £4.3m. The profit arising to the group of £4m before tax will be reported in the financial statements for the year ending 31 December 2018.

Principal risks and uncertainties

The group takes a proactive approach to risk management with the aim of protecting its' employees and customers and safeguarding the interests of the company and its' shareholders. The most significant external risk factor for the group is UK macroeconomic conditions. This includes the availability and cost of mortgage finance and confidence in the residential property market particularly in the south of England where the majority of branches are located. All these factors influence the volume of transactions in the market. The core driver for the housing market remains supply. The directors regularly review the market conditions and forward indicators to assess whether any action is required to reduce costs or vary the pace of expansion. Brexit has caused ongoing uncertainty in the property market which could adversely affect the volume of transactions.

The Government has announced that it will be banning fees charged to tenants with effect from April 2019 and this is likely to have a significant impact on the lettings market. The group is already taking steps to change its' charging structure to minimise the impact this has.

Andrews Estate Agents Limited, a group company, is directly authorised by the FCA for financial services. This carries with it regulatory compliance risk but steps have been taken to mitigate this risk including appointing a Compliance Manager and using external consultancy advice as appropriate.

Internally the principal risk factor is ensuring that sufficient high quality people are recruited, developed and retained. The group invests a considerable amount in recruitment, training and development to mitigate this risk. The culture of the company generates significant loyalty within senior and mid-management. Landmark Surveyors Ltd took steps in recent years to strengthen risk management in line with the growing business by appointing an Operational Manager and a Technical Manager.

Another internal risk factor for the group is dependency on IT systems which could potentially fail leading to interruption of service. All key IT systems are closely monitored to mitigate this risk and business continuity plans are in place to build resilience. During the year the group also bought insurance against cyber risk for the first time.

Andrews & Partners Limited

Strategic Report for the year ended 31 December 2017 (continued)

Future developments

The strategy going forward will include all divisions working much more closely in a "one company" approach to ensure customers' needs are fully met. Although Landmark Surveyors Ltd has been sold by the group in 2018, the relationship continues through a referral scheme. There is a clear opportunity for the group to earn more revenue from servicing the existing customer base. The demand for new build property is relatively robust supported by the Government Help to Buy scheme. The intention is to develop the new homes business further to take advantage of this. Looking ahead to the coming year the prospects for the lettings market look reasonably strong. Conditions are still largely favourable on the demand side given poor house purchase affordability, but the new stamp duty arrangements and tax changes may limit supply side growth. The Government proposed ban on fees charged to tenants has been announced for April 2019 and the group are making plans to minimise the impact of this fundamental change by finding new sources of revenue. As well as growing revenue, the strategy is to restrain costs to become more operationally efficient and increase profit margins. There will also be a focus on reducing the number of loss making branches in 2018. The financial services strategy includes growing the appointed representative network in the London area

By Order of the Board



N K Wright
Secretary
10th July 2018

Andrews & Partners Limited

Directors' Report for the year ended 31 December 2017

The directors have pleasure in presenting their report and the audited consolidated financial statements of Andrews & Partners Limited and subsidiaries ("The Group") for the year ended 31 December 2017.

Registration number

235326

Directors

The directors who held office during the year and up to the date of signing the financial statements are set out on page 1.

Financial risks

The group's revenue is dependent on the volume of activity in the property market which is sensitive to interest rate movements as they affect the cost of borrowing to finance house purchases. In November 2017 the Bank of England increased base rates from 0.25% to 0.5% in the year. Although the trend now appears to be upwards, the indication is that this will be a very gradual process which will not have a significant impact on the market. Management of this financial risk is focused on reacting quickly to changes in the market conditions.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006.

Andrews & Partners Limited

Directors' Report for the year ended 31 December 2017 (continued)

Directors' responsibilities statement (continued)

They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

In accordance with Section 418 of the Companies Act 2006, each director in office at the date the directors' report is approved, confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues. Training, career development and promotion of a disabled person is, as far as possible, identical to that of other employees who are not disabled.

Employee involvement

The company has continued this year the practice of consulting and keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company. This is achieved by the company intranet, yammer, e mail circulated to all staff, regular training courses, meetings and conferences. There is now a regular "Chief Executive's Update" aimed specifically at keeping staff informed. During 2017 every member of staff attended two group strategy update meetings which are aimed at ensuring all staff understand the group strategy. All staff also attended brand masterclasses as part of the brand roll out during the year. The involvement of employees in the company's performance is encouraged through monthly commission and profit share schemes.

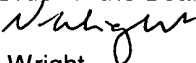
Future developments (see Strategic Report)

Recommendation of dividend (see Strategic Report)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

By Order of the Board



N K Wright
Secretary
10th July 2018

Andrews & Partners Limited

Independent auditors' report to the members of Andrews & Partners Limited

Report on the audit of the financial statements

Opinion

In our opinion, Andrews & Partners Limited's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 December 2017; the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Andrews & Partners Limited

Independent auditors' report to the members of Andrews & Partners Limited (continued)

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Andrews & Partners Limited

Independent auditors' report to the members of Andrews & Partners Limited (continued)

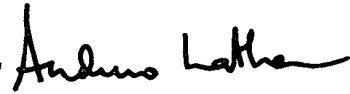
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andrew Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

15th July 2018

Andrews & Partners Limited

Consolidated profit and loss account for the year ended 31 December 2017

	Note	2017 £	2016 £
Revenue	5	36,671,526	37,190,102
Administrative expenses		(36,880,250)	(37,996,838)
Other operating income		75,536	86,091
Unrealised gain on revaluation of available-for-sale financial assets	12	96,517	100,380
Loss before interest and taxation		(36,671)	(620,265)
Interest receivable and similar income	6	83,208	126,787
Interest payable and similar expenses	6	(39,252)	(56,814)
Profit/(loss) before taxation and charitable donations		7,285	(550,292)
Charitable donations	22	(420,000)	(420,000)
Loss before taxation	6	(412,715)	(970,292)
Tax (charge)/credit on loss	9	(61,479)	121,932
Loss for the financial year		(474,194)	(848,360)
Loss attributable to:			
Owners of the parent		(399,813)	(715,289)
Non-controlling interests		(74,381)	(133,071)
		(474,194)	(848,360)

The company has elected to take the exemption under Section 408 of the Companies Act 2006 not to present the company profit and loss account. The loss for the company for the year was £144,658 (2016: profit of £64,984).

Andrews & Partners Limited

Consolidated statement of comprehensive income for the year ended 31 December 2017

	2017	2016
	£	£
Loss for the financial year	(474,194)	(848,360)
Other comprehensive income:		
Deferred tax relating to revalued properties	348	1,394
Other comprehensive income for the year	348	1,394
Total comprehensive expense for the year	(473,846)	(846,966)
Total comprehensive expense attributable to:		
Owners of the parent	(399,520)	(714,113)
Non-controlling interests	(74,326)	(132,853)
	(473,846)	(846,966)

Andrews & Partners Limited

Consolidated Balance sheet as at 31 December 2017 - company number 235326

	Note	2017 £	2017 £	2016 £	2016 £
Non-current assets					
Property, plant and equipment	10		6,923,150		7,431,969
Available-for-sale financial assets	12		253,878		157,334
Goodwill	13		401,107		669,720
Total non-current assets			7,578,135		8,259,023
Current assets					
Debtors	14	1,975,066		2,132,752	
Cash		6,581,146		6,202,329	
		8,556,212		8,335,081	
Creditors - amounts falling due within one year	15	(4,830,187)		(4,743,167)	
Net current assets			3,726,025		3,591,914
Total assets less current liabilities			11,304,160		11,850,937
Creditors - amounts falling due after more than one year	16		(336,266)		(440,711)
Provisions for liabilities	17		(859,931)		(828,417)
Net assets			10,107,963		10,581,809
Capital and reserves					
Called up share capital	19		146,630		146,630
Revaluation reserve			1,430,377		1,430,377
Profit and loss account			8,530,956		9,004,802
Total equity			10,107,963		10,581,809
Total equity attributable to:					
Owners of the parent			8,522,454		8,921,974
Non-controlling interests			1,585,509		1,659,835
Total equity			10,107,963		10,581,809

The financial statements on pages 11 to 36 were approved by the board of directors on 10th July 2018 and were signed on its behalf by:

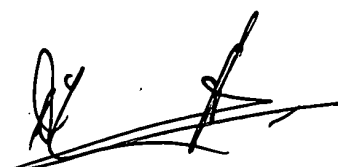

D Westgate
Director

Andrews & Partners Limited

Company Balance sheet as at 31 December 2017 - company number 235326

	Note	2017 £	2017 £	2016 £	2016 £
Non-current assets					
Investments	11		200,101		200,101
Current assets					
Debtors	14	2,602,374		2,486,003	
Cash		161,259		23,857	
		2,763,633		2,509,860	
Creditors - amounts falling due within one year	15	(2,615,213)		(2,216,782)	
Net current assets			148,420		293,078
Total assets less current liabilities and net assets			348,521		493,179
Capital and reserves					
Called up share capital	19		146,630		146,630
Profit and loss account			201,891		346,549
Total equity			348,521		493,179

The financial statements on pages 11 to 36 were approved by the Board of Directors on 10th July 2018 and were signed on its behalf by:



D Westgate
Director

Andrews & Partners Limited

Consolidated Statement of Changes in Equity for the year ended 31 December 2017

	Called up share capital	Revaluation reserve	Profit and loss account	Total Shareholders' funds	Non- controlling interests	Total attributable to owners
	£	£	£	£	£	£
Balance at 1 January 2017	146,630	1,430,377	9,004,802	10,581,809	1,659,835	8,921,974
Loss for the financial year	-	-	(474,194)	(474,194)	(74,381)	(399,813)
Other comprehensive income for the year	-	-	348	348	55	293
Total comprehensive expenses for the year	-	-	(473,846)	(473,846)	(74,326)	(399,520)
Balance at 31 December 2017	146,630	1,430,377	8,530,956	10,107,963	1,585,509	8,522,454

- I. Revaluation reserve represents the difference between the revalued amount of properties in the balance sheet and their original cost.
- II. Non-controlling interests represents the value of equity owned by shareholders who do not have a controlling interest in the group.

Company Statement of Changes in Equity for the year ended 31 December 2017

	Called up share capital	Profit and loss account	Total Shareholders' funds	Non- controlling interests	Total attributable to owners
	£	£	£	£	£
Balance at 1 January 2017	146,630	346,549	493,179	77,359	415,820
Loss for the financial year	-	(144,658)	(144,658)	(22,691)	(121,967)
Total comprehensive expenses for the year	-	(144,658)	(144,658)	(22,691)	(121,967)
Balance at 31 December 2017	146,630	201,891	348,521	54,668	293,85

Andrews & Partners Limited

Consolidated cash flow statement for the year ended 31 December 2017

	2017	2017	2016	2016
	£	£	£	£
Net cash from operating activities	2,037,579		539,474	
Taxation repaid/(paid)	64,995		(306,103)	
Net cash generated from operating activities	2,102,574		233,371	
Cash flow from investing activities				
Purchase of available-for-sale financial assets	(27)		(25)	
Payments to acquire property, plant and equipment	(1,368,321)		(1,965,628)	
Payments to acquire goodwill	-		(667,234)	
Receipts from sale of property, plant and equipment	184,960		178,410	
Net cash used in investing activities	(1,183,388)		(2,454,477)	
Cash flow from financing activities				
Interest received	140,916		44,081	
Interest paid	(39,252)		(56,814)	
Net repayments of loans	(222,033)		(749,651)	
Charitable donations	(420,000)		(633,000)	
Net cash used in financing activities	(540,369)		(1,395,384)	
Net increase/(decrease) in cash in the year	378,817		(3,616,490)	
Cash acquired in purchase of subsidiary	-		224,160	
Cash at 1 January	6,202,329		9,594,659	
Cash at 31 December	6,581,146		6,202,329	

Andrews & Partners Limited

Note to the consolidated cash flow statement

Reconciliation of cash flow from operating activities with loss for the financial year

	2017	2016
	£	£
Loss for the financial year	(474,194)	(848,360)
Adjustments for:		
Tax on loss	61,479	(121,932)
Charitable donations	420,000	420,000
Interest receivable	(83,208)	(126,787)
Interest payable	39,252	56,814
Unrealised gain on available-for-sale financial assets	(96,517)	(100,380)
Depreciation charges	1,802,905	1,597,907
Amortisation charges	268,613	96,269
Profit on sale of property, plant and equipment	(110,725)	(91,612)
Increase in provision for liabilities and charges	31,514	170,869
Working capital movements:		
Decrease in debtors	38,061	302,014
Increase/(decrease) in creditors	140,399	(815,328)
Cash flow generated from operating activities	2,037,579	539,474

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017

1. General Information

Andrews & Partners Limited ("the company") and its subsidiaries (together "the group") is a residential estate agency and property group operating from a network of branches in the South of England. It offers estate agency and letting services, together with a range of complementary services including financial services and surveying.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is The Clockhouse, Bath Hill, Keynsham, Bristol BS31 1HL.

2. Statement of compliance

The group and individual financial statements of Andrews & Partners Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain freehold properties. The company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

Revenue recognition

Revenue from services is recognised in the period in which the service is rendered, when the significant risks and rewards of ownership have been transferred to the buyer, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity, and when the specific criteria relating to each of the company's sales channels have been met, as described below:

a) Estate Agency:

Commission receivable in respect of the sale of property on behalf of clients is recognised in the financial statements on the exchange of each sale.

b) Other Activities:

Turnover represents commission and fees from property letting and management, and commissions from financial services. Initial commission on financial services is recognised as income when the policy goes on risk. A provision is made for future clawbacks of initial commission anticipated to

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

3. Summary of significant accounting policies (continued)

arise in the indemnity period. Renewal commission is recognisable on a received basis. Fees and commissions receivable from clients of the property letting and management business are credited to the profit and loss account on completion of the letting of the property, as rents fall due or over the duration of the management contract. Commission receivable in respect of surveys is recognised when the work has been completed.

Property, plant and equipment

The group has continued to adopt a policy of revaluation for its properties and separates these assets into components where they have significantly different economic useful lives. Property, plant and equipment are stated at cost or valuation less depreciation calculated on the following basis:

a) Freehold premises:

Freehold buildings are depreciated on a straight-line basis over 50 years.
Freehold land is not depreciated.

b) Short leasehold premises:

Premises with leases with less than 50 years to run are depreciated over the unexpired period of the lease.

c) Furniture and equipment

Furniture and equipment is depreciated on a straight-line basis at varying rates from 20% to 33% per annum.

d) Motor vehicles

Owned motor vehicles are depreciated on a straight-line basis over 4 years.

Goodwill

Purchased goodwill on the acquisition of existing businesses has been accounted for at cost. Goodwill has been written off over a period of five to ten years. The directors consider that this reflects the useful economic life of the managed lettings contracts taken over when acquiring the business. The carrying value of goodwill is reviewed annually for impairment.

Financial assets:

Available-for-sale financial assets are non-derivative financial assets. They are carried at fair value and included in non-current assets. Gains and losses arising from changes in fair value are recognised in the profit and loss account. Dividends are recognised in the profit and loss account when the group's right to receive the dividends is established.

Financial Instruments

The Company only has financial assets and financial liabilities that qualify as 'basic financial instruments' under FRS 102. Basic financial instruments are initially recognised at transaction value and subsequently held at amortised cost. Basic financial instruments held by the Company constitute trade and other debtors, debenture loans, trade creditors and other loans as disclosed in notes 14, 15 and 16.

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

3. Summary of significant accounting policies (continued)

Revaluation reserve

Increases in valuations arising on the revaluation of property are taken to the revaluation reserve. Any decreases in valuations are taken to the revaluation reserve to the extent that the individual properties have been revalued upwards previously.

Deferred taxation

Provision is made for deferred taxation on all material timing differences. Deferred tax assets are recognised where their recovery is considered more likely than not. Deferred tax assets and liabilities have not been discounted.

Operating leases

Payments under operating leases are expensed when incurred. Premiums paid under operating leases to secure a leasehold property are capitalised within fixed assets and amortised over the life of the lease.

Employee Benefits

The group provides a range of benefits to employees, including bonus arrangements, paid holiday arrangements and pensions.

The group provides defined contribution pension plans for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plans are held separately from the group in independently administered funds.

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

Charitable donations

Charitable donations are recognised when payable.

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

4. Critical accounting judgements and estimation uncertainty

Estimations and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates, given the uncertainty surrounding the assumptions and conditions upon which the estimates are based.

The directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the group's consolidated financial statements:

a) Surveying Claims (note 17)

Provision is made for compensation payable in respect of claims arising from residential surveys carried out by Landmark Surveyors Limited. The provision is made up of two categories. Firstly, appropriate reserves are made for known claims already received and recorded in the insurance bordereaux. Secondly, the group makes provision for liabilities in respect of unknown future claims yet to be received in respect of surveys already done. The second category of provision is judgemental by its very nature. It will depend on claim rate, claim liability rate and average loss all of which are very sensitive to any changes in trend. The provision made in this category is based on previous experience of losses based on historical data and experience.

b) Impairment of goodwill (note 13)

Determining whether goodwill is impaired requires a management estimate of future cash flows. The goodwill in the group's financial statements relates to the future value of managed lettings contracts acquired when the business was purchased. The key judgement here is the attrition rate of the lets over time and this is monitored by management on an ongoing basis.

c) Property, plant and equipment (note 10)

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated economic useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually, and are amended to reflect current estimates based on market conditions. Assets are revalued on a periodic basis using appropriate assumptions; further detail is provided in note 10 to these financial statements.

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

5. Revenue

Revenue arises wholly in the UK and represents amounts receivable for services provided to third parties and comprises:

	2017 £	2016 £
Estate agency	15,816,044	16,319,488
Conveyancing	885,444	740,996
Total estate agency division	16,701,488	17,060,484
Letting and management	12,156,252	12,007,759
Surveying	4,578,089	4,880,428
Financial services	3,235,697	3,241,431
	36,671,526	37,190,102

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

6. Loss before taxation

	2017 £	2016 £
Estate Agency including conveyancing	(1,186,688)	(1,608,088)
Financial services	449,734	309,951
Letting and management	367,624	345,846
Surveying	376,615	401,999
Charitable donations	(420,000)	(420,000)
Loss before taxation	(412,715)	(970,292)
And is stated after (crediting)/charging:		
Interest payable on:		
- other loans	39,252	56,814
	39,252	56,814
Interest receivable on:		
-corporation tax	(438)	-
- bank deposits	(82,770)	(126,787)
	(83,208)	(126,787)
Profit on sale of property, plant and equipment	(110,725)	(91,612)
Amortisation of goodwill	268,613	96,269
Depreciation	1,802,905	1,597,907
Operating lease charges - Land and Buildings	1,472,083	1,318,260
Services provided by the company's auditors:		
Fees payable for the audit of the parent and group financial statements	5,000	6,150
Fees payable for the audit of subsidiaries	24,000	30,500
Fees payable for tax compliance	30,700	30,700
Fees payable for other services required by legislation	2,300	2,250

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

7. Staff costs

The Group

(a) Staff costs (including directors' remuneration comprise):

	2017	2016
	£	£
Wages and salaries	20,299,164	21,311,036
Social security costs	2,178,647	2,258,436
Other pension costs (defined contribution plans)	662,232	721,527
	23,140,043	24,290,999

(b) The full time equivalent monthly average number of persons employed by the group was:

	2017	2016
	Number	Number
Estate agency	262	261
Lettings	187	179
Surveying	37	36
Financial services	30	34
Administration and support	75	89
	591	599

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

7. Staff costs (continued)

The Company

(a) Staff costs (including directors' remuneration comprise):

	2017	2016
	£	£
Wages and salaries	77,979	77,979
Social security costs	8,513	8,522
Other pension costs	-	-
	86,492	86,501

(b) The full time equivalent monthly average number of persons employed by the company was:

	2017	2016
	Number	Number
Non-executive directors	1	1

8. Directors' emoluments (Company)

	2017	2016
	£	£
Aggregate emoluments	457,262	627,260
Company contribution paid to:		
Defined contribution pension scheme	5,271	21,430
Number of directors to whom retirement benefits are accruing under the defined contribution pension scheme	2	2
Highest paid director		
Aggregate emoluments	200,640	341,505
Company contribution paid to:		
Defined contribution pension scheme	5,259	12

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

9. Tax charge/(credit) on loss

	2017 £	2016 £
Tax expense/(income) included in profit and loss		
- current year at 19.25% (2016: 20%)	64,209	-
- adjustments in respect of previous periods	(1,237)	(76,172)
Total current tax	62,972	(76,172)
Deferred tax - prior year (note 18)	44,860	-
- effect of rate change (note 18)	3,210	5,085
- current year (note 18)	(49,563)	(50,845)
Tax on loss	61,479	(121,932)

The tax for the year is higher (2016: lower) than the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Loss before taxation	(412,715)	(970,292)
Loss at the UK tax rate of 19.25% (2016: 20%)	(79,434)	(194,058)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	96,695	68,240
Effects of group relief/loss carried back	-	75,240
Income not subject to tax	(2,615)	(267)
Impact of change in tax rate	3,210	5,085
Adjustments in respect of previous periods	43,623	(76,172)
Total tax charge/(credit)	61,479	(121,932)

The July 2015 Budget Statement announced changes to the UK Corporation tax regime which will reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020 and a further change was announced in the March 2016 budget to further reduce the rate to 17% from 1 April 2020. These changes have been substantively enacted at the year end date. The deferred tax has been calculated using a blended rate of 18% to reflect the expected rates at which the deferred tax assets and liabilities will unwind at.

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

10. Property, plant and equipment

The group	Freehold premises	Short leasehold premises	Furniture and equipment	Motor vehicles	Total
	£	£	£	£	£
At cost/valuation					
At 1 January 2017	3,437,300	329,097	9,783,862	2,640,855	16,191,114
Additions	-	-	1,006,341	361,980	1,368,321
Disposals	-	-	(205,124)	(613,092)	(818,216)
At 31 December 2017	3,437,300	329,097	10,585,079	2,389,743	16,741,219
Analysis					
At cost	-	278,597	10,585,079	2,389,743	13,253,419
At valuation	3,437,300	50,500	-	-	3,487,800
	3,437,300	329,097	10,585,079	2,389,743	16,741,219
Accumulated depreciation					
1 January 2017	137,493	193,021	6,784,839	1,643,792	8,759,145
Charge for year	45,831	59,924	1,260,861	436,289	1,802,905
Disposals	-	-	(200,971)	(543,010)	(743,981)
31 December 2017	183,324	252,945	7,844,729	1,537,071	9,818,069
Net book amounts					
31 December 2017	3,253,976	76,152	2,740,350	852,672	6,923,150
31 December 2016	3,299,807	136,076	2,999,023	997,063	7,431,969

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

10. Property, plant and equipment (continued)

The group's freehold properties are formally revalued every five years and subject to an impairment review in the intervening years. They were last formally revalued at 31 December 2013 on the basis of open market value by Colliers International who are independent qualified valuers. The valuations were undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors in the United Kingdom. These valuations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken both to the revaluation reserve and the profit and loss account

At 31 December 2017 the historical cost of the revalued freehold premises was £2,259,543 (2016: £2,259,543) and short leasehold premises £50,500 (2016: £50,500).

There were no capital commitments at 31 December 2017 (31 December 2016: nil).

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

11. Fixed asset investments

The Company	Shares in subsidiaries £
At 31 December 2016 and 31 December 2017	200,101

The subsidiaries, all of which have been consolidated, wholly owned and incorporated in England and Wales are:

	Proportion of nominal value of shares held		Nature of Business
	By the Company	By the Group	
	%	%	
Andrews Estate Agents Limited	100	100	Estate Agents
Andrews Letting and Management Limited	100	100	Letting Agents
Landmark Surveyors Limited	100	100	Surveying
Andrews Pension Trust Limited	100	100	Pension Trustee
City Central (Bath) Limited	0	100	Letting Agents
Andrews West Street Management Limited	0	100	Property Management

City Central (Bath) limited (company number 03863454) and Andrews West Street Management Limited (company number 05619715) are exempt from the requirements of this Act relating to the audit of financial statements under section 479A of the Companies Act 2006. The registered address of all subsidiaries is The Clockhouse, Bath Hill, Keynsham BS31 1HL.

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

12. Available-for-sale financial assets

	2017 £
At 1 January	157,334
ZPG PLC shares purchased for cash in year	27
Unrealised gain on revaluation in year	96,517
At 31 December	253,878

ZPG PLC shares are listed equity securities which are all sterling denominated.

13. Goodwill

	Goodwill £
At cost	
1 January 2017 and 31 December 2017	867,033
Accumulated amortisation	
1 January 2017	197,313
Charge for year	268,613
31 December 2017	465,926
Net book amount	
31 December 2017	401,107
31 December 2016	669,720

The amortisation charge for the year of £268,613 includes an accelerated charge of £141,488 following an impairment review of the goodwill arising from the acquisition of Accredited Lettings Limited in 2014. The original goodwill relating to this particular acquisition of £404,220 has now been fully written down to zero following relocation to new premises, rebranding and the subsidiary company, Accredited Lettings Limited being dissolved in July 2017. The remaining goodwill at 31 December 2017 relates to the acquisition of managed letting contracts in 2016. Directors believe that the carrying value of this goodwill at 31 December 2017 is accurate.

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

14. Debtors

	2017	2016
	£	£
The Group		
Trade debtors	1,172,301	1,220,090
Other debtors	65,523	123,934
Deferred tax asset (note 18)	8,864	7,023
Corporation tax	-	63,758
Prepayments and accrued income	728,378	717,947
	1,975,066	2,132,752
The Company		
Amounts owed by group undertakings	2,602,374	2,486,003

15. Creditors: amounts falling due within one year

	2017	2016
	£	£
The Group		
Trade creditors	427,148	599,201
Outstanding pension contributions	124,620	130,719
Corporation tax	64,209	-
Other taxation and social security	1,576,969	1,533,258
Proposed gift aid donation	420,000	420,000
Other loans	323,188	440,776
Accruals and deferred income	1,894,053	1,619,213
	4,830,187	4,743,167

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

15. Creditors: amounts falling due within one year (continued)

The other loans are secured against the motor vehicles of the company which have a net book value of £852,672 at 31 December 2017 (2016: £997,063). Repayment of capital and interest is made on a monthly basis until 2019. Interest payable on these loans is fixed over the duration of the loans and averages 3.1%.

	2017	2016
	£	£
The Company		
Amounts owed to group undertakings	2,151,640	1,776,449
Proposed gift aid donation	420,000	420,000
Accruals and deferred income	43,573	20,333
	2,615,213	2,216,782

16. Creditors: amounts falling due after more than one year

The Group	2017	2016
	£	£
Other loans – amount due between one and two years	192,690	277,402
Other loans – amount due between two and five years	143,576	163,309
	336,266	440,711

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

17. Provisions for liabilities

The Group	Clawback Provision (Note (i)) £	Surveying Claims (Note (ii)) £	Total £
At 1 January 2017	371,258	457,159	828,417
Utilised in the year	(153,008)	(34,080)	(187,088)
Provided in the year	160,719	57,883	218,602
At 31 December 2017	378,969	480,962	859,931

(i) Clawbacks

Provision is made for future clawbacks of initial financial services commission anticipated to arise in the 38 month indemnity period. The group has analysed historical data to calculate the rate of projected future clawbacks based on past experience.

(ii) Surveying claims

Provision is made for compensation payable in respect of claims arising from residential surveys carried out by Landmark Surveyors Limited. The provision is made up of two categories. Firstly, appropriate reserves are made for known claims already received and recorded in the insurance bordereaux. Secondly, the group makes provision for liabilities in respect of unknown future claims yet to be received in respect of surveys already done. The second category of provision is judgemental by its' very nature. It will depend on claim rate, claim liability rate and average loss all of which are very sensitive to any changes in trend. The provision made in this category is based on previous experience of losses based on historical data and experience.

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

18. Deferred taxation

	2017 £	2016 £
The Group		
The deferred tax asset consists of the following:		
Accelerated capital allowances	(94,055)	(42,117)
Revaluation of investments	45,684	28,311
Revaluation of properties	21,720	30,318
Goodwill realised through use	40,219	-
Other short term timing differences	(22,432)	(23,535)
	(8,864)	(7,023)

Reconciliation of movement in deferred tax during the year:

At 1 January 2017	(7,023)
Profit and loss – current year (note 9)	(46,353)
Adjustments in respect of prior periods	44,860
Amounts credited to other comprehensive income	(348)
At 31 December 2017	(8,864)
Deferred Tax split between (assets)/liabilities:	
<u>Deferred tax asset</u>	
Recoverable within 12 months	(2,643)
Recoverable after 12 months	<u>13,568</u>
	<u>10,925</u>
<u>Deferred tax liabilities</u>	
Payable within 12 months	(19,789)
Payable after 12 months	<u>-</u>
	<u>(19,789)</u>
<u>Total deferred tax asset</u>	<u>(8,864)</u>

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

19. Called up share capital

The Group and the Company

	Ordinary shares of 50p each	
	Number	£
Allotted, issued and fully paid:		
At 1 January 2017 and 31 December 2017	293,260	146,630

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

20. Operating lease commitments

Minimum lease payments under non-cancellable property operating leases due are as follows:

	2017 Land and Buildings £	2016 Land and Buildings £
Within one year	1,141,364	962,033
Later than one year and less than five years	3,565,343	2,476,444
After five years	2,874,408	1,613,083
	7,581,115	5,051,560

The company itself had no operating lease commitments at 31 December 2017 (2016: nil).

21. Ultimate parent undertaking and controlling party

The company's immediate and ultimate controlling party is the charity Andrews Charitable Trust, which holds 84.3% (2016: 84.3%) of the allotted share capital of Andrews & Partners Limited.

The the largest group to consolidate the company results are in the Andrews Charitable Trust financial statements, these are available from the same registered address as the Company/

The smallest group to consolidate the company results are in these financial statements.

There were no amounts due to or from Andrews Charitable Trust at the balance sheet date.

Andrews & Partners Limited

Notes to the financial statements for the year ended 31 December 2017 (continued)

22. Related party disclosure

The company made charitable donations to the three shareholding charitable trusts as follows:

	2017	2016
	£	£
Andrews Charitable Trust	354,120	354,120
Christian Book Promotion Trust	65,880	65,880
Christian Initiative Trust	-	-
	420,000	420,000

The company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions and balances with entities that are part of the Andrews & Partners Limited group that have been eliminated on consolidation.